

AMENDED IN SENATE MARCH 27, 2003

CALIFORNIA LEGISLATURE—2003–04 FIRST EXTRAORDINARY SESSION

SENATE BILL

No. 22

Introduced by Committee on Budget and Fiscal Review

March 20, 2003

An act to add and repeal Chapter 7 (commencing with Section 16910) to Part 3 of Division 4 of Title 2 of the Government Code, relating to public pension obligations, ~~making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 22, as amended, Committee on Budget and Fiscal Review. Public pension obligations: bond financing.

Under existing law, the state is required to make specified contributions to the Public Employees' Retirement Fund, the Teachers' Retirement Fund, and other public retirement funds.

This bill would *express the intent of the Legislature to enact the California Pension Obligation Financing Act to provide for an efficient, equitable, and economical means of satisfying pension obligations. The bill would also make findings and declarations relative to the state's obligation to make payments to certain public retirement systems.* ~~that would authorize the issuance of bonds and the creation of ancillary obligations, as defined, for the purpose of funding or refunding the state's pension obligations, as specified. The bill would continuously appropriate from the General Fund without regard to fiscal years the amount necessary to pay the principal and interest on the bonds and other obligations incurred in connection with the bonds, subject to certain limits. The bill would also authorize the Pension Obligation~~

~~Bond Committee, as established by the bill, to bring an action to determine the validity of the bonds issued pursuant to the act. The act would become inoperative on June 30, 2009, and would be repealed on January 1, 2010.~~

~~The bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: ~~2/3~~ majority. Appropriation: ~~yes~~ no. Fiscal committee: ~~yes~~ no. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 7 (commencing with Section 16910) is added to Part 3 of Division 4 of Title 2 of the Government Code, to read:

CHAPTER 7. THE CALIFORNIA PENSION OBLIGATION FINANCING
ACT

Article 1. General Provisions

16910. This chapter shall be known and may be cited as the California Pension Obligation Financing Act.

16911. It is the intent of the Legislature, in enacting this chapter, to provide for an efficient, equitable, and economical means of satisfying pension obligations of the state.

16912. The Legislature hereby finds and declares that the state's obligations to make payments to certain public retirement systems are obligations imposed by law not subject to Section 1 of Article XVI of the California Constitution and the bonds authorized to be issued under this chapter have the same character under the Constitution as the pension obligations funded or refunded.

**All matter omitted in this version of the
bill appears in the bill as introduced in the
Senate, March 20, 2003 (JR 11)**

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